

## Message Text

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ACTION IO-06

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-01 INR-05 L-01

NSAE-00 NSC-05 PA-01 RSC-01 PRS-01 SP-02 SS-15

USIA-06 AF-04 ARA-06 EA-06 EUR-08 NEA-06 AID-05 EB-04

CIEP-01 TRSE-00 STR-01 OMB-01 CEA-01 COME-00 FRB-01

XMB-02 OPIC-03 LAB-01 SIL-01 AGR-05 SWF-01 /105 W

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R 241628Z OCT 74

FM USMISSION USUN NY

TO SECSTATE WASHDC 6714

INFO AMEMBASSY MEXICO CITY

AMEMBASSY CARACAS

AMEMBASSY SANTIAGO

C O N F I D E N T I A L SECTION 1 OF 2 USUN 4380

E.O. 11652: GDS

TAGS: EGEN, PFOR, OAS, ECLA, UNGA, MX, VE, CI

SUBJ: 29TH GA: PROPOSED NEW LATIN AMERICAN ECONOMIC  
ORGANIZATION

REF: MEXICO 8831

1. SUMMARY: EXECUTIVE SECRETARY OF UN'S ECONOMIC  
COMMITTEE FOR LATIN AMERICA (ECLA) INFORMED MISOFF THAT  
MEXICANS AND VENEZUELAN ARE MOVING AHEAD WITH IDEA OF  
FOUNDING LATIN AMERICAN ECONOMIC ORGANIZATION TO FOSTER  
PRODUCERS ASSOCIATIONS, AND REGIONAL INDUSTRIALIZATION.  
IGLESIAS IS APPREHENSIVE OF EFFECTS NEW ORGANIZATION WOULD HAVE  
ON ECLA AND US-LATIN AMERICAN REALTIONS. HE DOUBTS THAT  
OTHER LATINS WILL BE ATTRACTED TO THIS NEW ORGANIZATION,  
BUT BELIEVES THAT SOME FORM OF LATIN ECONOMIC ORGANIZATION  
WILL EVENTUALLY EMERGE. USUN SHARES VIEW THAT LATINS DESIRE  
"EXCLUSIVELY LATIN" ECONOMIC FORUM. USUN URGES DEPT TO  
REVIEW POSSIBILITY OF ENCOURAGING ECLA TO TAKE ON THAT FUNCTION.

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END SUMMARY.

2. MISOFF QUESTIONED ECLA EXECUTIVE SECRETARY IGLESIAS ABOUT REPORTED NEW LATIN AMERICAN ECONOMIC ORGANIZATION IN THE COURSE OF THE MEETING ON HONDURAS. IGLESIAS SAID THAT HE WAS AWARE OF AND VERY CONCERNED ABOUT THE TALKS ON THE SUBJECT WHICH ARE CURRENTLY TAKING PLACE IN CARACAS.
3. ACCORDING TO IGLESIAS, THE IDEA OF AN EXCLUSIVE LATIN ORGANIZATION TO DEAL WITH ECONOMIC AND FINANCIAL QUESTIONS IS BEING SPONSORED BY MEXICO AND VENEZUELA. THE IDEA IS PRESENTLY BEING FLESHED OUT BY A GROUP OF EXPERTS, INCLUDING CHILEAN JUAN SOMAVIA. FOLLOWING THIS PHASE, SUPPORT FOR THE IDEA WOULD BE SOLICITED FROM OTHER LATIN GOVERNMENTS. IF THE IDEA PROSPERS, IT WILL BE PRESENTED TO THE NEXT MEETING OF LATIN AMERICAN PRESIDENTS FOR CONSIDERATION.
4. THE ORGANIZATIONS MAIN PURPOSES WOULD BE TO ENCOURAGE PRODUCERS-ASSOCIATIONS, CONSUMERS-ASSOCIATIONS, REGIONAL INDUSTRIALIZATION AND MORE GENERALLY TO DEVELOP COMMON POSITIONS FOR LATIN DELEGATIONS IN OTHER FORA. THE ORGANIZATION WOULD HAVE A SECRETARIAT OF ITS OWN, PRESUMABLY IN THE FIRST INSTANCE FINANCED BY VENEZUELA.
5. IGLESIAS EXPRESSED THE OPINION THAT LATIN COUNTRIES IN GENERAL WOULD PROBABLY NOT, AT LEAST INITIALLY, RESPOND FAVORABLY TO THIS MEXICAN-VENEZUELAN INITIATIVE. FIRST OF ALL THE SMALLER CARIBBEAN COUNTRIES, HE FELT, WOULD BE FRIGHTENED OF ANY ORGANIZATION IN WHICH MEXICO AND VENEZUELA PLAY THE LEADING PART. HE SAID THAT THE SOUTHERN CONE COUNTRIES, TRADITIONAL LEADERS OF LATIN MOVEMENTS, WOULD PROBABLY NOT BE INTERESTED IN A CARIBBEAN-ORIENTED ORGANIZATION. HE FEELS FURTHERMORE THAT BRAZIL IS SIMPLY NOT INTERESTED IN INVOLVING ITSELF IN THIS TYPE OF PAROCHIAL MOVEMENT, PREFERRING THE LARGER ARENAS OF THE UN, ETC. INTERESTINGLY GUYANA OFFICIALS HAVE TOLD IGLESIAS, IN PRIVATE, THAT THEY ARE NOT INTERESTED SINCE, AS MEMBERS IN GOOD STANDING OF THE NON-ALIGNED MOVEMENT, THEY WISH TO SEE LATIN AMERICA PULLED EVEN MORE TIGHTLY INTO THAT GLOBAL MOVEMENT RATHER THAN INTO SOME REGIONAL ORGANIZATION.
6. AS EXECUTIVE SECRETARY OF ECLA, IGLESIAS VIEWS THE IDEA OF A NEW ORGANIZATION AS BEING POTENTIALLY HIGHLY DETRIMENTAL TO OPERATIONS OF ECLA. IN FACT HE HAS WRITTEN

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A PAPER OUTLINING WHAT HE BELIEVES WOULD BE A REASONABLE ALTERNATIVE TO THE CONTEMPLATED NEW ORGANIZATION. HIS IDEA WOULD INVOLVE MAINTAINING THE EXISTING ORGANIZATIONS, BUT SKEWING THEM SOMEWHAT TO TAKE INTO ACCOUNT THE NEED FELT FROM TIME TO TIME BY LATIN AMERICAN FREE TRADE ASSOCIATION (LAFTA) SECRETARIAT, IN ADDITION TO ITS PRESENT FUNCTIONS, WOULD BECOME A SORT OF OECD FOR LATIN AMERICANS, THE OAS WOULD BE THE FORA FOR US-LATIN DIALOGUE AND ECLA-CECLA

(COMMITTEE OF ECLA, MEMBERSHIP EXCLUDING DEVELOPED COUNTRY MEMBERS)  
WOULD CONTINUE THEIR USUAL FUNCTIONS. FYI: IGLESIAS PROMISED  
TO GIVE USUN A COPY OF HIS PAPER. USUN REQUEST THAT EMBASSY  
SANTIAGO REMIND IGLESIAS OF HIS PROMISE SOON AFTER HIS  
RETURN TO SANTIAGO OCTOBER 23. END FYI.

7. IGLESIAS PUT IN A PLUG FOR CECLA, SPECIFICALLY SAYING  
THAT HE FELT THAT THE USG POSITION DENYING CECLA SECRETARIAT  
SERVICES PROVIDED BY ECLA WAS SHORT-SIGHTED. THE CLEAR  
INTIMATION WAS THAT DENYING CECLA A SECRETARIAT GAVE RISE  
TO IDEAS SUCH AS THAT NOW BEING EXPRESSED BY VENEZEULA AND  
MEXICO. ON QUESTIONING, HOWEVER, HE ADMITTED THAT THE  
LAST CECLA MEETING HAD ENDED IN A DEBACLE DUE TO AN  
ARGUMENT BETWEEN BRAZIL AND PERU ON TRADE QUESTIONS.  
IBLESIAS EVENTUALLY SAID THAT HE AGREED WITH THE MISOFF'S  
OBSERBATION THAT THE CECLA EXPERIENCE SEEMED TO INDICATE  
THE DIFFICULTIES INVOLVED IN DEVELOPING COMMON LATIN  
POSITIONS WITHIN THE FRAMEWORK OF OLD OR NEW EXCLUSINVE  
ORGANIZATION.

8. VENEZUELAN MINISTER PEREZ GUERRERO, ACCORDING TO IGLESIAS,  
IS THE ONLY TURLY RESPONSIBLE OR EFFECTIVE PERSON INVOLVED  
IN PRESENT DISCUSSION OF THE NEW ORGANIZATION. HE  
CHARACTERIZED THE OTHERS AS BEING EITHER WILD MEN OR  
INCOMPETENTS.

9. THE PROPONENTS OF THE NEW ORGANIZATION, PER IBLESIAS,  
HAVE FORESEEN THE POSSIBILITY THAT NOT ALL LATIN  
GOVERNMENTS WOULD BE INTERESTED IN JOINING THE ORGANIZATION.  
THEY HAVE THUS PROPOSED THAT THE ORGANIZATION WOULD BE  
FOUNDED AND THE SECRETARIAT ESTABLISHED EVEN THOUGH ONLY  
A LIMITED NUMBER OF GOVERNMENTS WOULD JOIN INITIALLY.

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XMB-02 OPIC-03 LAB-01 SIL-01 AGR-05 SWF-01 /105 W

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R 241628Z OCT 74  
FM USMISSION USUN NY  
TO SECSTATE WASHDC 6715  
INFO AMEMBASSY MEXICO  
AMEMBASSY CARACAS  
AMEMBASSY SANTIAGO

C O N F I D E N T I A L SECTION 2 OF 2 USUN 4380

10. COMMENT: USUN HAS REPORTED IN DEPTH ON IGLESIAS' VIEWS OF THE NEW LATIN ORGANIZATION SINCE 1) HE HAS BEEN A RELIABLE SOURCE OF INFORMATION AND 2) THE PROPOSED NEW LATIN AMERICAN ORGANIZATION WOULD APPEAR TO IMPINGE SIGNIFICANTLY ON US OBJECTIVES ON LATIN AMERICA, THE OAS AND UN.

USUN HAS FOLLOWED WITH SOME CONCERN THE TENDENCY OF LATINS IN ECONOMIC(BUT NOT POLITICAL) FORA WITHIN THE UN SYSTEM, TO EXCLUDE DEVELOPED COUNTRIES, I.E. THE US AND WESTERN EUROPEANS, FROM CERTAIN ACTIVITIES AND CONSULTATIONS WITHIN ECLA. THIS SAME TREND HAS BEEN VISIBLE WITHIN THE ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND PACIFIC (ESCAP) AND ECONOMIC COMMISSION FOR AFRICA (ECA). SO FAR USG HAS OBJECTED TO BEING EXCLUDED WHEREAS OTHER DEVELOPED MEMBERS (LIKE UK) OF UN REGIONAL ORGANIZATIONS HAVE BEEN CONSIDERABLY MORE RELAXED, VIEWING IT AS "NORMAL" THAT DEVELOPING COUNTRIES SHOULD WANT TO MEET TOGETHER..

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IN INTENSIFIED FORM AT MAY 1975 ECLA MEETING IN TRINIDAD  
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AND TOBAGO.

USUN WILL ENDEAVOR TO DEVELOP MORE INFORMATION ON THE NEW ORGANIZATION AND SUGGESTS THAT OUR EMBASSIES IN CARACAS AND MEXICO CITY MAY WISH TO PURSUE THE MATTER WITH THEIR CONTACTS.

ALTHOUGH IT IS NOT CLEAR THAT THE VENEZUELAN-MEXICAN PROPOSAL WILL COME TO FRUITION, IT IS USUN JUDGEMENT THAT SOME FORM OF EXCLUSIVE LATIN ORGANIZATION WILL EVENTUALLY BE FOUNDED IN THE REGIONAL ECONOMIC FIELD. F THAT IS TRUE, USUN BELIEVES THAT CONSIDERATILN SHOULD BE GIVEN TO ENCOURAGING ECLA TO ASSUME AT LEAST SOME OF THE FUNCTIONS OF THAT LATIN CLUB.

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## Message Attributes

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**Type:** TE  
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